UNITED STATES DISTRICT COURT

DISTRICT OF MASSACHUSETTS

JUDITH M. HUCKINS WILLIAMS, JAMES P. PELHAM, JR. and WILLIAM WEDDLE, Individually and on Behalf of All Others Similarly Situated,

Plaintiffs,

vs.

ATLANTIC POWER CORPORATION, BARRY E. WELCH, PATRICK J. WELCH, LISA DONAHUE and TERRANCE RONAN,

Defendants.

No.

CLASS ACTION

COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL

Plaintiffs Judith M. Huckins Williams, James P. Pelham, Jr. and William Weddle, individually and on behalf of all others similarly situated, by plaintiffs' undersigned attorneys, for plaintiffs' complaint against defendants, alleges the following based upon personal knowledge as to plaintiffs and plaintiffs' own acts, and upon information and belief as to all other matters based on the investigation conducted by and through plaintiffs' attorneys, which included, among other things, a review of Securities and Exchange Commission ("SEC") filings by Atlantic Power Corporation ("Atlantic Power" or the "Company"), as well as media reports about the Company, press releases and conference call transcripts. Plaintiffs believe that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a securities class action on behalf of those who purchased or otherwise acquired the common stock of Atlantic Power between July 23, 2010 and March 4, 2013, inclusive (the "Class Period"), including purchasers in the Company's registered public follow-on stock offerings on October 13, 2010 at $13.35 per share, October 13, 2011 at $13 per share, and June 27, 2012 at $12.76 per share, and those who acquired shares pursuant to Atlantic Power's dividend reinvestment plan ("DRIP") commenced on August 8, 2012, seeking remedies pursuant to §§10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"). Defendants include Atlantic Power and certain of its senior officers and directors.

2. Defendant Atlantic Power is a power generation and infrastructure company with a portfolio of assets in the United States and Canada. The Company is engaged in power generation through hydro, natural gas and coal fired power plants.

3. Atlantic Power publicly-traded, hybrid bond/equity securities were first publicly offered in Canada on the Toronto Stock Exchange ("TSX") following the Company's October 2004 initial public offering ("IPO"). In August 2005, Atlantic Power publicly-traded, hybrid debt/equity

securities began trading over-the-counter ("OTC") in the U.S. Then, on July 23, 2010 the Company listed those securities on the New York Stock Exchange ("NYSE").

4. Meanwhile, most other hybrid bond/equity income participating securities ("IPS") went bust during the credit crunch/recession that began in 2007. In stark contrast, Atlantic Power actually raised its dividend payout when its unit price hit bottom and began trading under $5 per unit on the OTC in November 2008. On November 27, 2008, Atlantic Power then converted the entire IPS to common stock, while maintaining the same outsized monthly dividend rate of $0.0862 cents/CAD$0.0912 cents.

5. Indeed, unlike other publicly-traded utility companies, which typically pay out no more than 4% of profits as dividends, Atlantic Power paid an outsized 10% dividend during the Class Period. Since this IPA was being valued by the market during the Class Period based on its ability to continue paying the outsized dividend, defendants repeatedly emphasized throughout the Class Period that ***"[b]ased on management's cash flow projections, the current level of dividends is sustainable into 2016 before considering any positive impact from potential future acquisitions or organic growth opportunities."***[1] Following the NYSE stock listing on July 23, 2010 and continuing throughout the Class Period, defendants falsely represented that the Company was financially capable of maintaining that outsized dividend payment and misrepresented and concealed the following adverse facts:

(a) that the cash flows the Company was using to pay the outsized 10% dividend were being funded by revenues derived from companies the Company was spending tens of millions of dollars to acquire during the Class Period, rather than through organic growth, thereby,

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1 All emphasis is added unless otherwise noted.

jeopardizing the sustainability of the outsized dividend payment to the extent that Atlantic Power was growing unable to continue acquiring cash flow to continue funding the dividend;

(b) that Atlantic Power's dividend payout ratio, *i.e.* the percent of the Company's cash flow being used to fund the outsized 10% dividend, had grown to 100% by 2012, meaning every penny of cash Atlantic Power made was being used to fund the dividend, which defendants knew was unsustainable;

(c) that Atlantic Power's losses from operations were mounting, jeopardizing the Company's ability to maintain the outsized dividend payment;

(d) that defendants knew that many of the Company's project contracts were scheduled to expire over the course of 2013, meaning cash flows from those projects would be substantially lower after those contracts ended, and, unbeknownst to investors, Atlantic Power was not replacing those contracts – further jeopardizing its ability to maintain the outsized dividend payment that was supporting its stock price; and

(e) based upon the above, defendants lacked a reasonable basis for their positive statements about the sustainability of the companies outsized annual dividend throughout the Class Period.

6. As a result of defendants' materially false and misleading statements, Atlantic Power common stock traded at artificially inflated prices throughout the Class Period, reaching an intraday high of $16.28 per share by August 1, 2012. Meanwhile, Atlantic Power cashed in, going to the capital markets four times and selling hundreds of millions of dollars of its shares to maintain its outsized dividend payment and to fund the acquisition spree required to support it – further propelling Atlantic Power down an inherently unsustainable path. Specifically, on October 13, 2010, Atlantic Power issued and sold 6.029 million additional shares in the U.S. in an underwritten public

stock offering at $13.35 per share, raising more than $80.487 million in gross proceeds. On October 13, 2011, Atlantic Power issued and sold another 12.65 million shares in the U.S. in an underwritten public stock offering at $13 per share, raising $164.45 million in gross proceeds. On June 27, 2012, the Company issued and sold another 5.5672 million shares in the U.S. in an underwritten public stock offering at $12.76 per share, raising more than $71 million in gross proceeds. And on June 28, 2012, the Company issued and sold 6.572 million shares in Canada in an underwritten public stock offering at CAD$13.10 per share, raising more than CAD$86 million in gross proceeds. On August 8, 2012, Atlantic Power also launched a dividend reinvestment plan in an offering registered with the SEC, through which investors could elect to take 100% of their dividends in the form of Atlantic Power common stock.

7. Suddenly, on October 25, 2012, *Bloomberg* reported that Atlantic Power had hired investment banker Rothschild and was actively exploring the sale of its Path 15 Project, one of its biggest revenue providers, citing "sources familiar with the situation and industry banker." *Bloomberg* further reported that its sources said that the asset could have a valuation of $500 to $600 million and that Atlantic Power was in the process of signing non disclosure agreements with a "handful of parties." *Bloomberg* also reported that both Atlantic Power and Rothschild had refused to comment when requested by *Bloomberg*.

8. Then, after the close of trading on November 5, 2012, Atlantic Power announced its 3Q 2012 financial results for the interim quarterly period ended September 30, 2012. The Company reported a 3Q 2012 loss of $0.06 a share, significantly more than the loss of $0.01 per share Atlantic Power had led the market to expect during the Class Period through its bullish statements. On this news, by November 7, 2012, a stock analyst at RBC calculated that Atlantic Power would need to make at least $750 million of accretive equity investments to maintain its 100% payout ratio on the

outsized annual dividend in 2014. Alternatively, RBC calculated that the dividend would have to be cut by 25% to achieve a 90% payout ration in 2014. RBC also warned that there could be further downside risk to the stock if Atlantic Power did not announce significant acquisitions during 2013.

9. As the market assimilated the November 5th to November 7th disclosures, the price of Atlantic Power stock was hammered, falling $2.72 per share from its close of $14.36 per share on November 5, 2012, to close at $11.64 per share on November 8, 2012, a decline of more than 20%, on extremely high trading volume of more than two million shares tradedon each of the three days.

10. In order to prevent a free-fall in the stock price, on November 16, 2012 Atlantic Power announced it was closing an $88 million cash acquisition of Ridgeline Energy.

11. However, between January 31, 2013 and February 1, 2013, it was leaked into the market that Atlantic Power intended to sell three of its Florida sites to Quantum Utility. As the market assimilated this additional adverse disclosure, the price of Atlantic Power plummeted more than 9% from its close of $12.73 per share on January 30, 2013, to close at $11.52 per share on February 1, 2013, again on extremely high trading volume of more than 1.7 million shares traded on each of those two days.

12. Once again, on February 19, 2013, the price of Atlantic Power stock fell precipitously from its close of $11.41 per share on Friday, February 15, 2013 to close at $10.97 per share on Monday February 19, 2013 when RBC issued a research report calculating, based on its own further research, that the Company would have to cut its dividend by 30% based on its 4Q 2012 financial results for the interim quarter and fiscal year ending December 31, 2012, results the Company was not then scheduled to disclose until February 28, 2013.

13. Then, on February 28, 2013, the Company announced, among other things, that its 4Q loss from continuing operations was $0.20 per share, significantly more than the $0.08 per share loss

Atlantic Power had led the market to expect through its bullish statements throughout the Class Period. ***As a result, the Company also announced it was slashing its annual dividend by 65%, from its prior level of $0.09583 per share per month to $0.04 per share.*** Going forward, the 2013 dividend would reflect a 65%-75% payout in 2013 (on an estimated project EBIDTA of $250-$275 million) and the 2014 dividend would reflect a 75%-85% payout. The price of Atlantic Power stock was again pummeled on this news, plummeting a record 39% to close at $7.21 per share on March 1, 2013, on extremely high trading volume of more than nine and a half million shares traded.

14. Finally, the price of Atlantic Power stock price plummeted another 11% on March 4, 2013 to close at $5.91 per share – again on more than nine million shares trading – when RBC issued a research report, based on further research, cautioning that investors could not assume that the 65% dividend cut announced on February 28, 2013 would ensure the long term sustainability of what was left of Atlantic Power's dividend. RBC also stated that the Company would have to sell additional debt and/or common equity in 2014 to fund $235 million of debt securities.

15. As the market learned the truth about Atlantic Power's souring losses and inability to maintain its outsized dividend through this series of disclosures between November 7, 2012 and March 4, 2013, more than $1 billion of the Company's market capitalization simply vanished.

JURISDICTION AND VENUE

16. The claims asserted herein arise under §§10(b) and 20(a) of the Exchange Act, 15 U.S.C. §§78j(b) and 78t(a), and Rule 10b-5, 17 C.F.R. §240.10b-5. Jurisdiction is conferred by §27 of the Exchange Act, 15 U.S.C. §78aa.

17. Venue is proper in this district pursuant to §27 of the Exchange Act. Acts and transactions giving rise to the violations of law complained of occurred in this district.

THE PARTIES

18. Plaintiff Judith M. Huckins Williams purchased Atlantic Power common stock during the Class Period as set forth in the Certification attached hereto and incorporated herein by reference and was damaged thereby.

19. Plaintiff James P. Pelham, Jr. purchased Atlantic Power common stock during the Class Period as set forth in the certification attached hereto and incorporated herein by reference and was damaged thereby.

20. Plaintiff William Weddle purchased Atlantic Power common stock during the Class Period as set forth in the certification attached hereto and incorporated herein by reference and was damaged thereby.

21. Defendant Atlantic Power is a Boston, Massachusetts-based power generation company. The Company completed its IPO on the TSX in October 2004. At the time of the IPO, the Company's publicly-traded security was an "income participating security," or "IPS," each of which was comprised of one common share and CAD$5.767 principal value of 11% subordinated notes due 2016. On November 27, 2009, Atlantic Power's shareholders approved a conversion from the IPS structure to a traditional common share structure. Each IPS was subsequently exchanged for one new common share and each old common share that did not form a part of an IPS was exchanged for approximately 0.44 of a new common share. Atlantic Power shares trade on the TSX under the symbol "ATP" and began trading on the NYSE under the symbol "AT" on July 23, 2010. During the Class Period, Atlantic Power had approximately 68 million shares of common stock outstanding, which shares traded in an efficient market on the NYSE. Atlantic Power was followed by scores of stock analysts and stock rating agencies and was constantly in communication with the markets and investors in quarterly conference calls, frequent presentations and analyst conferences.

Atlantic Power also filed periodic public reports with the SEC and regularly issued press releases to the financial press.

22. Defendant Barry E. Welch ("Barry Welch") is, and was during the Class Period, Atlantic Power's Chief Executive Officer ("CEO") and a director.

23. Defendant Patrick J. Welch ("Patrick Welch") (who is not related to Barry Welch) served as Atlantic Power's Chief Financial Officer ("CFO") from the start of the Class Period until June 10, 2011.

24. Defendant Lisa Donahue ("Donahue") served as Atlantic Power's interim CFO from June 13, 2011 until August 2012.

25. Defendant Terrance Ronan ("Ronan") has served as Atlantic Power's CFO since August 2012.

26. Defendants referenced in ¶¶22-25 above are collectively referred to herein as the "Individually Defendants."

27. During the Class Period the Individual Defendants ran Atlantic Power as "hands-on" managers overseeing Atlantic Power's operations and finances and made the material false and misleading statements described herein. They were intimately knowledgeable about all aspects of Atlantic Power's financial and business operations, and the sustainability of its dividend, as they received daily reports and had access to computerized information regarding the status of new and existing project contracts, sales, costs and expenses, and corporate transactions. They were also intimately involved in deciding which disclosures would be made by Atlantic Power to the market. Indeed, all four Individual Defendants made various public statements for Atlantic Power during the Class Period, including participating in Class Period investor conferences.

BACKGROUND

28. Defendant Atlantic Power owns and operates a diverse fleet of power generation and infrastructure assets in the United States and Canada. The Company's power generation projects sell electricity to utilities and other large commercial customers largely under long-term power purchase agreements ("PPAs").

29. The Company used the proceeds from its 2004 IPO to acquire a 58% interest in Atlantic Power Holdings, LLC (now Atlantic Power Holdings, Inc., "Atlantic Holdings") from two private equity funds managed by ArcLight Capital Partners, LLC and from Caithness Energy. Until December 31, 2009, Atlantic Power was externally managed by Atlantic Power Management, LLC, an affiliate of ArcLight.

30. In August 2005, the Company acquired Epsilon Power Partners, LLC, which then owned a 40% interest in the Chambers project, for approximately $63 million in cash and the assumption of $43 million in non-recourse debt.

31. In September 2006, the Company acquired 100% of the equity interests in Trans-Elect NTD Holdings Path 15, LLC ("Path 15"), which has since been renamed Atlantic Path 15 Holdings, LLC and indirectly owns the transmission system rights in the transmission line upgrade along the Path 15 transmission corridor located in central California, for $78.4 million.

32. In November 2008, the Company acquired a 100% ownership interest in Auburndale Power Partners, L.P, which owns the Auburndale project, for a purchase price of approximately $140.0 million.

33. In the first quarter of 2009, the Company transferred its remaining net interest in Onondaga Cogeneration Limited Partnership into a 50% owned joint venture, Onondaga Renewables, LLC, which operates a 40 MW biomass power plant.

34. In March 2009, Atlantic Power acquired a 40% equity interest in Rollcast Energy, Inc. ("Rollcast"), a developer of biomass power plants in the southeastern U.S. with a number of additional 50 MW projects then in various stages of development. In March 2010 the Company increased its ownership interest in Rollcast to 60%.

35. In October 2009, the Company terminated its management agreements with ArchLight. In connection with the termination of the management agreements, Atlantic Power hired all of the then-current employees of Atlantic Power Management.

36. On July 2, 2010, the Company acquired a 27.6% equity interest in Idaho Wind Partners 1, LLC ("Idaho Wind") for $40.0 million. Idaho Wind had recently completed construction of a 183 MW wind power project located near Twin Falls, Idaho and then had 20-year PPAs with Idaho Power Company.

37. In November 2010, Atlantic Power closed the construction and term financing for the Piedmont Green Power, LLC ("Piedmont") project, a 53.5 MW biomass project located in Barnesville, Georgia. The Piedmont Green Power project then had a 20-year PPA with Georgia Power Company.

38. On December 20, 2010, the Company closed the acquisition of 100% of the membership interests in Cadillac Renewable Energy, LLC ("Cadillac"), a 39.6 MW biomass-fired generating facility located in Cadillac, Michigan, for approximately $80.0 million.

39. On November 5, 2011, the Company acquired all of the limited partnership units of Capital Power Income L.P., which was renamed Atlantic Power Limited Partnership on February 1, 2012 (the "Partnership"), in exchange for CAD$506.5 million in cash and 31.5 million of its common shares. The Partnership's portfolio then consisted of 19 wholly-owned power generation assets located in both Canada and the United States, a 50.15% interest in a power generation asset in

the state of Washington, and a 14.3% common ownership interest in Primary Energy Recycling Corporation ("PERC") (which the Company ultimately sold in May 2012).

40. In January 2012, the Company acquired a 51% interest in Canadian Hills Wind, LLC ("Canadian Hills"), the owner of a 300 MW wind farm project in Oklahoma, for an undisclosed sum. In March 2012, Atlantic Power increased its ownership interest in Canadian Hills to 99% for an another undisclosed sum, made an additional $193 million capital contribution to Canadian Hills in July 2012, and now acts as a project manager of Canadian Hills.

41. On December 31, 2012, the Company acquired Ridgeline Energy Holdings, Inc. ("Ridgeline"), located in Seattle, Washington, a wind and solar development company.

42. On January 30, 2013, the Company entered into an agreement to sell its interests in the Auburndale, Lake CoGen, Ltd. ("Lake") and Pasco CoGen, Ltd. ("Pasco") projects (collectively, the "Florida Projects"). The Company also announced that it expects to enter into a purchase and sale agreement in the remaining part of the first quarter of 2013 to sell its 100% interest in Path 15.

MATERIALLY FALSE AND MISLEADING STATEMENTS ISSUED DURING THE CLASS PERIOD

43. The Class Period commences on July 23, 2010. On that date, the Atlantic Power stock began trading on the NYSE pursuant to an Amendment No. 4 to its Form 10 General Form for Registration of Securities Pursuant to Section 12(b) or 12(g) of the Exchange Act that Atlantic Power filed with the SEC on July 21, 2010 and requested that the SEC declare effective July 22, 2010. Concerning the Company's "Competitive Strengths," the Form 10 stated, in pertinent part, that:

> ***Stability of Project Cash Flow***. Each of our power generation projects has been in operation for over ten years. Cash flows from each project are generally supported by energy sales contracts with investment-grade utilities and other sophisticated counterparties. ***We believe that each project's combination of PPA(s), fuel supply agreement(s) and/or commodity hedges help stabilize operating margins as fuel prices fluctuate.***

44. Concerning the Company's PPA expirations, the Form 10 stated, in pertinent part:

> PPAs in our portfolio have expiration dates ranging from 2010 to 2037. In each case, ***we plan for expirations by evaluating various options in the market for maximizing project cash flows***. New arrangements may involve responses to utility solicitations for capacity and energy, direct negotiations with the original purchasing utility for PPA extensions, arrangements with creditworthy energy trading firms for tolling agreements, full service PPAs or the use of derivatives to lock in value.

45. Concerning Atlantic Power's "Acquisition Guidelines," the Form 10 stated, in pertinent part, as follows:

> ***[I]n the case of an acquisition of a power generation facility, the expected useful life of the facility and associated structures will, with regular maintenance, be long enough to conform with our objective of providing stable long-term dividends to shareholders.***

46. Concerning Atlantic Power's "Outlook," the Form 10 stated, in pertinent part, as follows:

> Looking ahead to 2011, we expect overall levels of cash flow to be generally consistent with 2010. Higher project distributions and a slightly lower payment under the management agreement termination are expected to be offset by the non-recurrence of the cash tax refunds that are anticipated in 2010. ***In 2012, still higher distributions from projects are expected to increase operating cash flow and reduce the payout ratio significantly compared to 2010 and 2011.***

47. On August 9, 2010, the Company issued a press release announcing its financial results for the interim quarterly period ended June 30, 2010 entitled "Atlantic Power Corporation Announces Second Quarter 2010 Results and Improved Long-Term Dividend Guidance." The press release stated, in pertinent part, as follows:

> ***Highlights***
>
> - NYSE dual-listing completed
> - Acquisition of an interest in first wind power project
> - ***Extending minimum dividend sustainability guidance from 2015 to 2016***
> - ***Full year 2010 payout ratio guidance confirmed at approximately 100%***

- ***2011 payout ratio guidance improved to range of 80% to 90%***

"Our year-to-date results and outlook for the balance of the year are improved ***and allowed us to raise our previous full year 2010 guidance***," commented Barry Welch, President and CEO. "We have recently completed several important initiatives, including the acquisition of an interest in our first wind power project and our dual listing on the New York Stock Exchange. ***In addition, we have improved our long-term guidance to indicate that cash on hand and projected cash flows from existing projects, including our recent acquisition of an interest in Idaho Wind, is sufficient to maintain the current level of dividends to common shareholders into 2016, before considering any positive impact from further potential acquisitions or organic growth opportunities***."

* * *

Guidance

Based on management's projections, cash on hand and projected cash flows from existing projects are sufficient to meet the current level of dividends to common shareholders into 2016 before considering any positive impact from further potential acquisitions or organic growth opportunities. This time horizon has been extended from our previous guidance that such dividends could be continued into 2015. The updated guidance is based on improvements in our most recent long-term cash flow projections from our existing assets, as well as the anticipated cash flows from our recent Idaho Wind acquisition.

Based on year-to-date results and the Company's projections for the remainder of the year, we expect to receive distributions from our projects in the range of $75 million to $80 million for the full year 2010. This range represents an increase from our previous guidance range of $70 million to $77 million for current year project distributions. The improvement is primarily attributable to stronger than expected operating and financial performance at our plants in Florida, as well as higher expected distributions from Path 15 due to a one-time permanent improvement in the timing of revenue collections.

* * *

Looking ahead to 2011, management expects overall levels of cash flow to improve and projects a payout ratio in the range of 80% to 90%, an improvement from our previous guidance of approximately 100%. In 2011, higher distributions from existing projects, initial distributions from Idaho Wind and a slightly lower payment under the management agreement termination are expected to be partially offset by the non-recurrence of the cash tax refunds that are anticipated in 2010. ***In 2012, higher distributions from projects are expected to further increase operating cash flow and reduce the payout ratio compared to 2011***. The most significant factor in the expected higher operating cash flow in 2012 is increased distributions from

Selkirk following the final payment of its non-recourse project-level debt in mid-2012.

48. On November 10, 2010, the Company issued a press release announcing its 3Q 2010 financial results for the interim quarterly period ended September 30, 2010. The press release stated, in pertinent part as follows:

Highlights

- 15% increase in Adjusted EBITDA in the third quarter of 2010 compared to the prior year period
- ***On track to achieve project distributions guidance of $75 - $80mm for the year***
- ***Projected cash flows sufficient to meet current level of dividends into 2016 with no further acquisitions or organic growth***
- Subsequent to quarter end, raised $152 million in successful equity and debenture offerings
- Completed project-level bank financing for our first biomass project in Georgia to be completed late 2012
- Project financing closed at Idaho Wind with construction proceeding as scheduled
- Entered into purchase agreement to acquire an operating wood-fired power facility in Michigan

"We have been very active during and subsequent to the third quarter, raising $152 million with our first equity offering in the U.S. and a convertible debenture offering in Canada," commented Barry Welch, President and CEO. "We also entered into agreements to finance our first biomass power plant and to acquire 100% of an operating wood-fired energy facility in Michigan; transactions ***that we expect will add to the stability and sustainability of our cash flows and dividends***."

* * *

Guidance

Based on management's cash flow projections, the current level of dividends is sustainable into 2016 before considering any positive impact from potential future acquisitions or organic growth opportunities.

Based on year-to-date results and our projections for the remainder of the year, we continue to expect to receive distributions from our projects in the range of $75 million to $80 million for the full year 2010. At the corporate-level, we expect a net

cash tax refund in 2010 in the range of $7 million to $9 million, compared to insignificant net cash taxes in 2009. Included in 2010 corporate-level costs will be the $5 million payment under the terms of the management agreement termination, down from the $6 million payment in 2009.

Looking ahead to 2011, we expect overall levels of operating cash flow to be improved over projected 2010 levels. Slightly higher distributions from existing projects, initial distributions from our recent investments in Idaho Wind and Cadillac, and a lower payment under the management agreement's termination are expected to be partially offset by a substantially lower cash tax refund in 2011. ***These increased cash flows in 2011, combined with the impact of our recent public offering, are expected to result in a payout ratio of approximately 100% in 2011. In 2012, additional increases in distributions from projects are expected to further increase operating cash flow compared to 2011***. The most significant factor in the expected higher operating cash flow in 2012 is increased distributions from Selkirk following the final payment of its non-recourse project-level debt in 2012.

49. On March 18, 2011, the Company issued a press release announcing its 4Q and fiscal 2010 financial results for the year ended December 31, 2010. The press release stated, in pertinent part, as follows:

Highlights

- 6% increase in Adjusted EBITDA in 2010 compared to the prior year
- $83 million of distributions from our projects exceeded 2010 guidance
- ***Maintaining our guidance that projected cash flows are sufficient to meet our current level of dividends into 2016 with no further acquisitions or organic growth***
- Completed NYSE listing and subsequently raised $150 million in successful equity and convertible debenture offerings
- Completed project-level bank financing and commenced construction on our first greenfield biomass project to be completed in late 2012
- Construction completed in early 2011 on our first wind project investment
- Acquired Cadillac Renewable Energy, a 39.6 MW biomass facility in Cadillac, Michigan

"This year we had some significant milestones for the continued growth of Atlantic Power," said Barry Welch, Atlantic Power's President and CEO. "Our NYSE listing increased the liquidity of our shares as well as our access to capital in the United States, which we leveraged with a cross border public offering in the U.S. and

Canada. The proceeds from that offering supported the diversification of our portfolio into the renewable space with the acquisition of Cadillac, the completed construction of Idaho Wind and the groundbreaking at Piedmont Green Power. With the one-year extension of the federal stimulus grant for renewable projects, we are excited about the prospects of additional opportunities in the wind and biomass space."

* * *

Guidance

Based on actual performance to date and projections for the remainder of the year, we expect to receive distributions from our projects in the range of $80 million to $90 million for the full year 2011 compared to $83 million in 2010. We expect overall levels of operating cash flows in 2011 to be improved over actual 2010 levels. Higher distributions from existing projects, initial distributions from our recent investments in Idaho Wind and Cadillac, and a slightly lower payment under the management termination agreement are expected to be partially offset by the non-recurrence of the cash tax refunds in 2010. ***These increased cash flows in 2011, combined with the impact of our recent public offering, are expected to result in a payout ratio of approximately 100% to 105% in 2011. In 2012, additional increases in distributions from projects are expected to further increase operating cash flow compared to 2011***. The most significant factor in the expected higher operating cash flow in 2012 is increased distributions from Selkirk following the final payment of its non-recourse project level debt in 2012.

Based on management's cash flow projections, we believe the current level of dividends is sustainable into 2016 before considering any positive impact from potential future acquisitions or organic growth opportunities.

50. On May 11, 2011, the Company issued a press release announcing its 1Q 2011 financial results for the interim quarterly period ended March 31, 2011. The press release stated, in pertinent part, as follows:

Highlights

- Operating results in line with annual guidance
- Construction at Piedmont Green Power is on schedule and on budget
- Closed sale of Topsham project for cash proceeds of $8.5 million
- ***Maintaining guidance to sustain current level of dividends into 2016, even with no positive impact from potential acquisitions or organic growth***

"Our results for the quarter met our expectations and are in line with our guidance for the year," commented Barry Welch, President and CEO. "***We continue to focus on accretive acquisition opportunities to enhance our long-term cash flows and are confident that we can continue to execute on our growth strategy***."

* * *

Guidance

Based on actual performance to date and projections for the remainder of the year, we confirm our previous guidance that we expect to receive distributions from our projects in the range of $80 million to $90 million for the full year 2011 compared to $83 million in 2010. We continue to expect overall levels of operating cash flows in 2011 to be improved over actual 2010 levels. Higher distributions from existing projects, initial distributions from our recent investments in Idaho Wind and Cadillac, and a slightly lower payment under the management termination agreement are expected to be partially offset by the non-recurrence of the cash tax refunds received in 2010. ***These increased operating cash flows in 2011, combined with the impact of our recent public offerings, are expected to result in a payout ratio of approximately 100% to 105% in 2011 subject to the financial performance of our projects for the balance of the year. In 2012, additional increases in distributions from projects are expected to further increase operating cash flow compared to 2011***, the most significant factor being increased distributions from Selkirk following the final payment of its non-recourse project level debt in mid-2012.

Based on management's cash flow projections, we believe the current level of dividends is sustainable into 2016 before considering any positive impacts from potential future acquisitions or organic growth opportunities.

51. On August 12, 2011, the Company issued a press release announcing its 2Q 2011 financial results for the interim quarterly period ended June 30, 2011. The press release stated, in pertinent part, as follows:

Highlights

- Financial results in line with expectations
- ***Maintaining 2011 project cash flow and payout ratio guidance***
- Announced agreement to acquire Capital Power Income L.P. ("CPILP") and expect the transaction to close in Q4 2011
- ***Maintaining guidance to sustain current level of dividends into 2016, without including the positive impact of CPILP or any other acquisition***

"We are pleased that the results for the quarter met our expectations and are in line with our guidance for the year," commented Barry Welch, President and CEO. "Our big news for the second quarter was the announcement of the plan to acquire Capital Power Income L.P. Investors can look forward to the benefits of a larger, more diversified company with significantly strengthened dividend sustainability along with our intended 5% dividend increase following closing in the fourth quarter. We have been diligently working on the approvals required to bring the proposed transaction to a shareholder vote, including the filing of a joint proxy on July 25. The preliminary integration of the businesses is also progressing well, which helps to assure we can hit the ground running at the time of closing.

* * *

Guidance

Based on our actual performance to date and projections for the remainder of the year, we continue to expect to receive distributions from our projects in the range of $80 million to $90 million for the full year 2011. We expect overall levels of operating cash flows in 2011 to be improved over actual 2010 levels. Higher distributions from existing projects, initial distributions from our recent investment in Idaho Wind and Cadillac, and a slightly lower payment under the management termination agreement are expected to be partially offset by the one-time cash tax refund of $8.0 million received in 2010. ***These increased operating cash flows in 2011, combined with the impact of our public offerings in 2010, are expected to result in a payout ratio of approximately 100% to 105% in 2011 subject to the financial performance of our projects. In 2012, additional increases in distributions from projects are expected to further increase operating cash flow compared to 2011***. The most significant factor in the expected higher operating cash flow in 2012 is increased distributions from Selkirk following the final payment of its non-recourse project-level debt in 2012.

Based on management's cash flow projections, we believe the current level of dividends is sustainable into 2016, before considering any positive impacts from the acquisition of CPILP, other potential future acquisitions or organic growth opportunities.

52. On November 11, 2011, the Company issued a press release announcing its 3Q 2011 financial results for the interim quarterly period ended September 30, 2011. The press release stated, in pertinent part, as follows:

Highlights

- Closed acquisition of Capital Power Income L.P. ("CPILP") on November 5, 2011
- Financial results in line with expectations

- ***Maintaining 2011 project cash flow and payout ratio guidance***

"We are pleased that the results for the quarter met our expectations and are in line with our guidance for the year," commented Barry Welch, President and CEO. "With the successful close of the CPILP acquisition behind us, we are focusing on the critical task of fully integrating CPILP's people and assets into our organization. First and foremost, we are dedicated to finding a permanent CFO to join our management team. We have met with several great candidates, and hope to have an announcement on that front soon."

* * *

Guidance

Based on our actual performance to date and projections for the remainder of the year, we continue to expect to receive distributions from our projects in the range of $80 million to $90 million for the full year 2011. We expect overall levels of operating cash flows in 2011 to be improved over actual 2010 levels. Higher distributions from existing projects, initial distributions from our recent investment in Idaho Wind and Cadillac, and a slightly lower payment under the management termination agreement are expected to be partially offset by the one-time cash tax refund of $8.0 million received in 2010. These increased operating cash flows in 2011, combined with the impact of our public offerings in 2010, ***are expected to result in a payout ratio of approximately 100% to 105% in 2011 subject to the financial performance of our projects. In 2012, additional increases in distributions from projects are expected to further increase operating cash flow compared to 2011***. The most significant factors in the expected higher operating cash flow in 2012 is accretion from the acquisition of CPILP and increased distributions from Selkirk following the final payment of its non-recourse project-level debt in mid-2012.

53. On February 29, 2012, the Company issued a press release announcing its 4Q and fiscal 2011 financial results for the year ended December 31, 2011. The press release stated, in pertinent part as follows:

Highlights

- Acquired Capital Power Income L.P., now Atlantic Power Limited Partnership (the "Partnership"), on November 5, 2011 for a total enterprise value of approximately $1.8 billion:
  - ° increasing outstanding shares by 64% and doubling the enterprise value of the Company to approximately $3.3 billion;

° adding 18 generation projects and increasing the Company's net generating capacity by 143% to 2,116 MW;

° diversifying the Company's portfolio by adding plants in new regions of the United States and eight Canadian plants in Ontario and British Columbia;

° establishing Atlantic Power as the owner operator for approximately 50% of its projects; and

° increasing Atlantic Power's employee count to 277 and adding offices in Toronto, Vancouver, Chicago and San Diego

- Acquired a 30% interest in Rockland Wind, an 80 MW wind farm in American Falls, Idaho in December 2011, bringing the Company's total net generating capacity to 2,140 MW

- ***Payout ratio is within the Company's guidance range for 2011***

- Announced agreement to acquire 51% of Canadian Hills, a 300 MW wind power project in Oklahoma in January 2012

- Announced agreement with Primary Energy Recycling Corporation ("PERC") to sell Atlantic Power's 14.3% interest in Primary Energy Recycling Holdings ("PERH") in February 2012

"Since the close of the acquisition of the Partnership, we have made significant progress integrating the companies," commented Barry Welch, President and CEO. "Our commercial development team, that we began augmenting since last year, has continued to identify strong opportunities accretive acquisitions, such as our recently announced Canadian Hills project. Our access to growth capital has been further strengthened by our increased market cap and trading liquidity. We are also focusing on opportunities to rationalize the combined portfolio and both optimize and extend our existing contracts. In addition, our 2012 budgets for the Partnership facilities include capital expenditures for improvements in the reliability, efficiency and sustainability of our assets."

* * *

Outlook

Based on actual performance to date and projections for the remainder of the year, Atlantic Power expects to receive distributions from its projects in the range of $250 to $265 million for the full year 2012. The Company expects overall levels of operating cash flows in 2012 to be improved over actual 2011 levels due primarily to full year contributions from the Partnership assets and increased distributions from Selkirk following the final payment of its non-recourse project-level debt by mid-2012. These increased operating cash flows in 2012, in addition to the smaller

> and final management termination fee to ArcLight and a one-time realized gain from the termination of a portion of our aggregate foreign currency forward contracts from the combined company, are expected to result in a significant increase in cash available for distribution. ***Atlantic Power anticipates a 2012 payout ratio of approximately 90% to 97%, subject to the financial performance of its projects***.

54. On May 7, 2012, the Company issued a press release announcing its 1Q 2012 financial results for the interim quarterly period ended March 31, 2012. The press release stated, in pertinent part, as follows:

> ***Highlights***
>
> - Project Adjusted EBITDA increased by $56.9 million, or 158%, from the comparable period
> - Acquired a 99% interest in Canadian Hills Wind, an approximate 300 MW wind power project in Oklahoma, and closed construction financing in March; construction commenced in April
> - Announced agreement with Primary Energy Recycling Corporation ("PERC") in February, in which they agreed to purchase Atlantic Power's 14.3% interest in Primary Energy Recycling Holdings ("PERH")
>
> "Thanks to our transformative acquisition of Capital Power Income, LP (the "Partnership") last year, ***we are benefiting from being a much larger company that owns and operates more than half of its projects***," said Barry Welch, President & CEO. ***"We are building on the momentum of our recent growth initiatives and continue to deliver long-term value to our many stakeholders. Our commercial development team is benefiting from increased interest on the part of development companies to partner on a variety of late-stage development projects, and from passive equity partners focused on leveraging our operating expertise.*** Canadian Hills is a perfect example where we are deploying capital in an accretive acquisition that has added significant value to the Company. We are also considering opportunities to rationalize any non-core assets in our portfolio given our scale and primary business focus."
>
> * * *
>
> ***Outlook***
>
> ***Based on actual performance to date and projections for the remainder of the year, Atlantic Power expects to receive distributions from its projects in the range of $250 to $265 million for the full year 2012. The Company expects overall levels of operating cash flows in 2012 to be improved over 2011 levels*** due primarily to full year contributions from the Partnership assets and increased distributions from

> Selkirk following the final payment of its non-recourse, project-level debt by mid-2012. These increased operating cash flows in 2012, in addition to the smaller and final $1 million management termination fee to ArcLight and one-time realized gains from the termination of a portion of aggregate foreign currency forward contracts from the combined company, ***are expected to result in a significant increase in cash available for distribution from 2011. Atlantic Power continues to anticipate a 2012 payout ratio of approximately 90% to 97%, subject to the financial performance of its projects***.

55. On August 8, 2012, the Company issued a press release announcing its 2Q 2012 financial results for the interim quarterly period ended June 30, 2012 and commencement of the DRIP, entitled "Atlantic Power Corporation Releases Second Quarter 2012 Results and Announces Dividend Reinvestment Plan." The press release stated, in pertinent part, as follows:

> ***Highlights***
>
> - Project Adjusted EBITDA for the three months ended June 30 increased by $29.9 million, or 70%, from the comparable period in 2011, primarily due to the increased Project Adjusted EBITDA from the newly acquired Capital Power Income L.P. projects
> - On July 5, 2012, the Company closed its concurrent equity and convertible debenture offerings for aggregate net proceeds of approximately $192.5 million
> - In May 2012, the Company closed on the sale of its 14.3% interest in Primary Energy Recycling Holdings, LLC ("PERH") for cash proceeds of $30.2 million
> - On August 2, 2012, the Company entered into a purchase and sale agreement for the sale of its 50% ownership interest in the Badger Creek project
> - Dividend Reinvestment Program approved by Board of Directors
>
> "We are pleased with the year to date results of the Company," said Barry Welch, President & CEO of Atlantic Power Corporation. "In addition, we closed concurrent equity and convertible debenture offerings to provide for our equity contribution in the Canadian Hills Wind project, currently under construction in Oklahoma. We issued our first US$ denominated convertible debenture offering in Canada, allowing Atlantic to naturally hedge the interest payments in US$ to our predominantly US$ denominated cash flows. ***As we continue to look for additional growth opportunities, we also continue to rationalize our current portfolio by identifying assets that are either non-core to our business or are minority interests where we do not act as project operator.*** The sales of Primary Energy Recycling Holdings and Badger Creek help to ensure resources are being used efficiently and that management is focused on its core business assets."

* * *

> ***Outlook***
>
> ***Based on actual performance to date and projections for the remainder of the year, Atlantic Power continues to expect to receive distributions from its projects in the range of $250 to $265 million for the full year 2012. The Company expects overall levels of operating cash flows in 2012 to be improved over 2011 levels*** due primarily to full year contributions from the Partnership assets and increased distributions from Selkirk following the final payment of its non-recourse, project-level debt, which occurred in June 2012. These increased operating cash flows in 2012, in addition to one-time realized gains from the termination of a portion of aggregate foreign currency forward contracts from the combined company and the management termination fee from the sale of PERH, ***are expected to result in a significant increase in cash available for distribution in 2012 versus 2011. Atlantic Power continues to anticipate a 2012 payout ratio of approximately 90% to 97%, subject to the financial performance of its projects***.

56. During the conference call that followed later that day with investors, Defendants further emphasized the stability of the dividend, stating, in pertinent part, as follows:

> In total, we estimate the increase in our distributions from Orlando versus our estimate of 2013 cash flow to be approximately $14 million to $18 million on average between the years of 2014 and 2018. Other increases to cash flow include the previously guided $8 million to $10 million expected cash distributions from our Piedmont project for each full year of operation starting in 2013, $16 million to $19 million from our Canadian Hills project for each full year through 2020, at which time we expect distributions to increase, and improved cash flows from some of our gas-fired projects due to the impact of low natural gas prices on the unhedged portion of our gas purchases. ***It is these increases, plus expected contributions from continued accretive acquisitions that provide our comfort level with the sustainability of the current dividend***.

57. Then, during a November 6, 2012 conference call with investors, despite reporting disappointing financial results for the Company's 3Q 2012 ended September 30, 2012, Defendant Barry Welch remained adamant that the dividend was safe, stating, in pertinent part, as follows:

> The anticipated decrease in cash flow after Lake and Auburndale's PPAs expire in '13 will be partially offset by increases to our annual cash flows from the new projects, which include: $16 million to $19 million from Canadian Hills, starting in 2013; and $8 million to $10 million from Piedmont, also starting next year. In addition, we anticipate cash flow increases of $14 million to $18 million from our 50% interest in the Orlando project starting in 2014, after the expiry of its gas supply contract. These aggregate increases total $38 million to $47 million. In addition, we

> expect there'll be further contributions from ongoing accretive acquisitions and dispositions, ***which further support the company's continued ability to pay its dividend***.
>
> With respect to our growth targets and assumptions, we see the company on a trajectory to invest approximately $300 million to $400 million per year of equity capital in transactions that would be levered at approximately 50%. That translates to about $600 million to $800 million a year in asset value. When we translate that investment assumption into megawatts of renewable or gas-fired plants, ***we're very comfortable with how many deals we need to do in relation to the market for deals that are out there***. We expect a target -- to continue to target a combination of operating projects, as well as development and construction stage projects. And in terms of cash accretion assumptions relative to our carrying cost of capital, we expect the development and construction projects to offer a few hundred basis points of accretion with operating projects at tighter levels. ***For all of these reasons taken together, we're confident in our ability to sustain the current dividend level***.

58. The statements referenced above in ¶¶43-57 were each materially false and misleading as they misrepresented and failed to disclose the following adverse facts which were known or recklessly disregarded by defendants as follows:

(a) that the cash flows the Company was using to pay the outsized 10% dividend were being funded by revenues derived from companies the Company was spending tens of millions of dollars to acquire during the Class Period, rather than through organic growth, thereby, jeopardizing the sustainability of the outsized dividend payment to the extent that Atlantic Power was growing unable to continue acquiring cash flow to continue funding the dividend;

(b) that Atlantic Power's dividend payout ratio, *i.e.* the percent of the Company's cash flow being used to fund the outsized 10% dividend, had grown to 100% by 2012, meaning every penny of cash Atlantic Power made was being used to fund the dividend, which defendants knew was unsustainable;

(c) that Atlantic Power's losses from operations were mounting, jeopardizing the Company's ability to maintain the outsized dividend payment;

(d) that defendants knew that many of the Company's project contracts were scheduled to expire over the course of 2013, meaning cash flows from those projects would be substantially lower after those contracts ended, and unbeknownst to investors Atlantic Power was not replacing those contracts – further jeopardizing its ability to maintain the outsized dividend payment that was supporting its stock price; and

(e) based upon the above, Defendants lacked a reasonable basis for their positive statements about the sustainability of its outsized annual dividend throughout the Class Period.

59. On October 25, 2012, *Bloomberg* reported that Atlantic Power had hired investment banker Rothschild and was actively exploring the sale of its Path 15 Project, one of the biggest contributors to revenues, citing "sources familiar with the situation and industry banker." *Bloomberg* further reported that its sources said that the asset could have a valuation of $500 to $600 million and that Atlantic Power was signing non disclosure agreements with a "handful of parties." *Bloomberg* also reported that both Atlantic Power and Rothschild had refused to comment when requested by *Bloomberg*.

60. Then, suddenly after the close of trading on November 5, 2012, Atlantic Power announced its 3Q 2012 financial results for the interim quarter ended September 30, 2012. The Company reported a 3Q 2012 ***loss of $0.06 a share***, significantly more than the loss of ***$0.01 per share*** Atlantic Power had led the market to expect during the Class Period due to its bullish statements. On this news, by November 7, 2012, a stock analyst at RBC calculated that, based on further research and analysis, that Atlantic Power would need to make at least $750 million of accretive equity investments to maintain its 100% payout ratio on the outsized annual dividend in 2014. Alternatively, RBC calculated that the dividend would have to be cut by 25% to achieve a

90% payout ration in 2014. RBC also cautioned that there could be further downside risk to the stock if Atlantic Power did not announce significant acquisitions during 2013.

61. As the market assimilated the November 5th to November 7th disclosures, the price of Atlantic Power stock was hammered, falling $2.72 per share from its close of $14.36 on November 5, 2012, to close at $11.64 per share on November 8, 2012, a decline of more than 20%, on extremely high trading volume of more than two million shares traded on each of the three days.

62. In order to prevent a free-fall in the stock price, on November 16, 2012 Atlantic Power announced it was closing an $88 million cash acquisition of Ridgeline Energy.

63. However, between January 31, 2013 and February 1, 2013, it was leaked into the market that Atlantic Power intended to sell three of its Florida sites to Quantum Utility. As the market assimilated these additional adverse disclosures, the price of Atlantic Power stock plummeted more than 9% from its close of $12.73 per share on January 30, 2013, to close at $11.52 per share on February 1, 2013, again on extremely high trading volume of more than 1.7 million shares traded on each of those two days.

64. On February 19, 2013, the price of Atlantic Power stock again fell from its close of $11.41 on Friday, February 15, 2013 to close at $10.97 on Monday, February 19, 2013 when RBC issued a research report calculating, based on its own further research and analysis, that the Company would have to cut its dividend by 30% based on its 4Q 2012 financial results for the interim quarter and fiscal year ending December 31, 2012, which the Company was then not scheduled to disclose until February 28, 2013.

65. Then, on February 28, 2013, the Company announced its 4Q and fiscal 2012 financial results for the year ended December 31, 2012. The $114 million in 4Q 2012 sales reported were 27% short of estimates defendants' bullish Class Period statements had led the investment

community to expect, and 9.3% lower than Q4 2011's GAAP reported sales. The Company reported a net loss of $58M, or $0.50 per share, compared with a loss of $0.27 per share for Q4 2011. The GAAP EPS loss of -$0.50 reported was $0.45 below what the market had been led to expect and almost double the loss Atlantic Power reported 4Q 2011. The 4Q loss from continuing operations was $0.20 per share, significantly more than the $0.08 per share loss Atlantic Power had led the market to expect as well. For FY 2012, Atlantic Power reported a loss of $112M, or $0.97 per share, compared with a loss of $0.50 per share for FY 2011.

66. Atlantic Power also disclosed that its cash available for distribution would decline to a range of $85M to $100M in 2013, down from $132M in 2012. Excluding the cash flow from its discontinued operations, the 2013 dividend payout ratio would be 100% and the 2012 payout ratio would have been 240%. As such, the Company announced it was slashing its annual dividend by 65%, from its prior level of $0.09583 per share monthly to $0.04 per share. With this cut, going forward, the 2013 dividend would reflect a 65%-75% payout in 2013 (on an estimated project EBIDTA of $250-$275 million) and the 2014 dividend would reflect a 75%-85% payout. Speaking to investors at a conference following the issuance of the press release, Defendant Barry Welch finally conceded that ***"it was in the best interest of the company and its shareholders to establish a lower and more sustainable Payout Ratio that balances yield and growth…."***

67. The price of Atlantic Power stock was again pummeled on this news, plummeting a record 39% to close at $7.21 per share on March 1, 2013, on extremely high trading volume of more than nine and a half million shares traded.

68. Finally, the price of Atlantic Power stock plummeted another 11% on March 4, 2013 to close at $5.91 per share – again on more than nine million shares trading – when RBC issued a research report, based on further research, cautioning that investors could not assume that the 65%

dividend cut announced on February 28, 2013 would ensure the long term sustainability of what was left of Atlantic Power's dividend. RBC also stated that the Company would have to sell additional debt and/or common equity in 2014 to fund $235 million of debt securities.

69. As the market learned the truth about Atlantic Power's souring losses and inability to maintain its outsized dividend through this series of disclosures between November 7, 2012 and March 4, 2013, more than $1 billion of the Company's market capitalization simply vanished.

NO SAFE HARBOR

70. Atlantic Power's "Safe Harbor" warnings accompanying its reportedly forward-looking statements ("FLS") issued during the Class Period were ineffective to shield those statements from liability. Because most of the false and misleading statements related to existing facts or conditions, the Safe Harbor has no applicability.

71. The defendants are also liable for any false or misleading FLS pleaded because, at the time each FLS was made, the speaker knew the FLS was false or misleading and the FLS was authorized and/or approved by an executive officer and/or director of Atlantic Power who knew that the FLS was false. In addition, the FLS were contradicted by existing, undisclosed material facts that were required to be disclosed so that the FLS would not be misleading. Finally most of the purported "Safe Harbor" warnings were themselves misleading because they warned of "risks" that had already materialized or failed to provide meaningful disclosures of the pertinent risks.

ADDITIONAL SCIENTER ALLEGATIONS

72. As alleged herein, defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws.

As set forth elsewhere herein in detail, defendants, by virtue of their receipt of information reflecting the true facts regarding Atlantic Power, their control over, and/or receipt of modifications of Atlantic Power's allegedly materially misleading misstatements and/or their associations with the Company, which made them privy to confidential proprietary information concerning Atlantic Power, participated in the fraudulent scheme alleged herein in order to facilitate the sale of hundreds of millions of dollars of Atlantic Power common stock at artificially inflated prices, both to fund the ongoing acquisition spree and to fund the outsized dividend that was buttressing Atlantic Power's artificially inflated stock price.

APPLICABILITY OF PRESUMPTION OF RELIANCE: FRAUD-ON-THE-MARKET DOCTRINE

73. At all pertinent times, the market for Atlantic Power stock was an efficient market for the following reasons, among others:

(a) Atlantic Power stock met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market;

(b) according to the Company's Form 10-K filed on March 1, 2013, the Company had approximately 68 million shares outstanding. During the Class Period, on average, more than 466,500 shares of Atlantic Power stock were traded on a daily basis, demonstrating a very active and broad market for Atlantic Power stock and permitting a very strong presumption of an efficient market;

(c) Atlantic Power was qualified to file a less comprehensive Form S-3 registration statement with the SEC that is reserved, by definition, to well-established and largely capitalized issuers for whom less scrutiny is required;

(d) as a regulated issuer, Atlantic Power filed periodic public reports with the SEC;

(e) Atlantic Power regularly communicated with public investors via established market communication mechanisms, including regular disseminations of press releases on the national circuits of major newswire services and the Internet, and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services;

(f) Atlantic Power was followed by many securities analysts who wrote reports that were distributed to the sales force and certain customers of their respective firms during the Class Period. Each of these reports was publicly available and entered the public marketplace;

(g) numerous National Association of Securities Dealers member firms were active market-makers in Atlantic Power stock at all times during the Class Period; and

(h) unexpected material news about Atlantic Power was rapidly reflected in and incorporated into the Company's stock price during the Class Period.

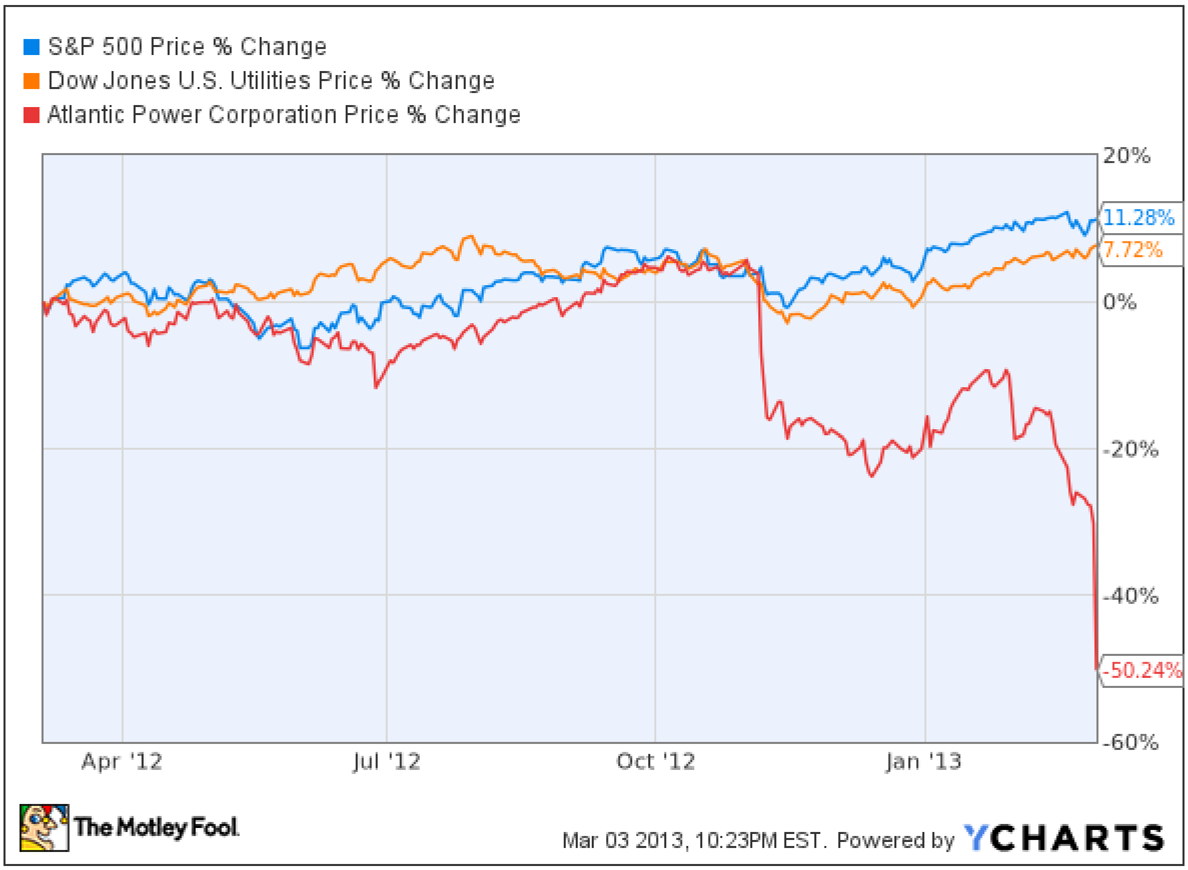
74. As a result of the foregoing, the market for Atlantic Power common stock promptly digested current information regarding Atlantic Power from publicly available sources and reflected such information in the price of Atlantic Power stock. Under these circumstances, all purchasers of Atlantic Power common stock during the Class Period suffered similar injury through their purchase of Atlantic Power common stock at artificially inflated prices, and a presumption of reliance applies.

LOSS CAUSATION

75. During the Class Period, as detailed herein, defendants made false and misleading statements, and omitted material information, concerning Atlantic Power's business fundamentals and engaged in a scheme to deceive the market. Defendants knowingly misstated the sustainability of the Company's outsized dividend in order to improve the market's perception of Atlantic Power's worth.

76. By artificially inflating the price of Atlantic Power stock, defendants deceived plaintiffs and the Class and caused them losses when the truth was revealed. When defendants' prior

misrepresentations and fraudulent conduct became apparent to the market beginning on November 7, 2012 through and including March 4, 2013, the price of Atlantic Power stock fell precipitously, as the prior artificial inflation came out of the stock price. The artificial inflation was company-specific as noted by financial media blog *Motley Fool* on March 4, 2013, emphasizing and graphically displaying that ***"[i]n the last 12 months, the S&P 500 gained 11.3%, the Dow Jones U.S. Utilties Index bumped up 7.7% ... and Atlantic's stock plummeted 50%":***



77. As a result of their purchases of Atlantic Power common stock during the Class Period, plaintiff and other members of the Class suffered economic loss, *i.e.*, damages, under the federal securities laws.

CLASS ACTION ALLEGATIONS

78. This is a class action on behalf of those who purchased or otherwise acquired Atlantic Power common stock between July 23, 2010 and March 4, 2013, inclusive, excluding defendants (the "Class"). Excluded from the Class are officers and directors of the Company as well as their families and the families of the defendants. Class members are so numerous that joinder of them is impracticable.

79. Common questions of law and fact predominate and include whether defendants: (a) violated the Exchange Act; (b) omitted and/or misrepresented material facts; (c) knew or recklessly disregarded that their statements were false; (d) artificially inflated the price of Atlantic Power common stock; and (e) the extent of and appropriate measure of damages.

80. Plaintiffs' claims are typical of those of the Class. Prosecution of individual actions would create a risk of inconsistent adjudications. Plaintiffs will adequately protect the interests of the Class. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

COUNT I

For Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Against All Defendants

81. Plaintiffs repeat and reallege the above paragraphs as though fully set forth herein.

82. Throughout the Class Period, defendants, in pursuit of their scheme and continuous course of conduct to inflate the market price of Atlantic Power common stock, had the ultimate authority for making, and knowingly or recklessly made, materially false or misleading statements or failed to disclose material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

83. During the Class Period, defendants, and each of them, carried out a plan, scheme, and course of conduct using the instrumentalities of interstate commerce and the mails, which was intended to and, throughout the Class Period did: (a) artificially inflate and maintain the market price of Atlantic Power common stock; (b) deceive the investing public, including plaintiffs and other Class members, as alleged herein; (c) cause plaintiffs and other members of the Class to purchase Atlantic Power common stock at inflated prices; and (d) cause plaintiffs and other members of the Class losses when the truth was revealed. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein in violation of §10(b) of the Exchange Act and Rule 10b-5, 17 C.F.R. §240.10b-5. All defendants are sued as primary participants in the wrongful and illegal conduct charged herein and as controlling persons as alleged below.

84. In addition to the duties of full disclosure imposed on defendants as a result of their affirmative false and misleading statements to the investing public, defendants had a duty to promptly disseminate truthful information with respect to Atlantic Power's operations and performance that would be material to investors in compliance with the integrated disclosure provisions of the SEC, including with respect to the Company's revenue and earnings trends, so that the market price of the Company's common stock would be based on truthful, complete and accurate information. SEC Regulations S-X (17 C.F.R. §210.01, *et seq*.) and S-K (17 C.F.R. §229.10, *et seq*.).

85. Defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein or acted with reckless disregard for the truth in that they failed to ascertain and disclose such facts, even though such facts were either known or readily available to them.

86. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts as set forth above, the market price of Atlantic Power common stock was artificially inflated during the Class Period. In ignorance of the fact that the market price of Atlantic Power common stock was artificially inflated, and relying directly or indirectly on the false and misleading statements made knowingly or with deliberate recklessness by defendants, or upon the integrity of the market in which the shares traded, plaintiffs and other members of the Class purchased Atlantic Power common stock during the Class Period at artificially high prices and, when the truth was revealed, were damaged thereby.

87. Had plaintiffs and the other members of the Class and the marketplace known of the true facts, which were knowingly or recklessly concealed by defendants, plaintiffs and the other members of the Class would not have purchased or otherwise acquired their Atlantic Power shares during the Class Period, or if they had acquired such shares during the Class Period, they would not have done so at the artificially inflated prices, which they paid.

88. By virtue of the foregoing, defendants have violated §10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, 17 C.F.R. §240.10-5.

COUNT II

For Violation of §20(a) of the Exchange Act
Against All Defendants

89. Plaintiffs repeat and reallege the above paragraphs as though fully set forth herein.

90. The Individual Defendants had control over Atlantic Power and made the materially false and misleading statements and omissions on behalf of Atlantic Power within the meaning of §20(a) of the Exchange Act as alleged herein. By virtue of their executive positions, and Barry Welch's board membership, and their culpable participation, as alleged above, the Individual Defendants had the power to influence and control and did, directly or indirectly, influence and

control the decision making of the Company, including the content and dissemination of the various statements which plaintiffs contend were false and misleading. Atlantic Power, in turn, controlled the Individual Defendants and all of its employees. The Individual Defendants were provided with or had unlimited access to the Company's internal reports, press releases, public filings, and other statements alleged by plaintiffs to be misleading prior to or shortly after these statements were issued, and had the ability to prevent the issuance of the statements or cause them to be corrected.

91. In particular, the Individual Defendants had direct involvement in and responsibility over the day-to-day operations of the Company and, therefore, are presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein.

92. By reason of such wrongful conduct, defendants are liable pursuant to §20(a) of the Exchange Act. As a direct and proximate result of their wrongful conduct, plaintiffs and the other members of the Class suffered damages in connection with their purchases of the Company's common stock during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, plaintiffs pray for judgment as follows:

A. Determining that this action is a proper class action, designating plaintiffs as Lead Plaintiffs and certifying plaintiffs as class representatives under Rule 23 of the Federal Rules of Civil Procedure and plaintiffs' counsel as Lead Counsel;

B. Determining that this action is a proper class action;

C. Awarding compensatory damages in favor of plaintiffs and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

D. Awarding plaintiffs and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

E. Awarding such other and further relief as the Court may deem just and proper.

JURY DEMAND

Plaintiffs demand a trial by jury.

DATED: March 14, 2013

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